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IRREGULARITY OF EMPLOYMENT.

The development of the present phase of the problem of the unemployed has been a rapid one. Passing by for the moment whether the unemployed are a new class or not, the problem is certainly assuming new importance both in Great Britain, her Australian colonies, western, central, and southern continental Europe, as well as in the United States. Save in 1866, the unemployed as a distinct class of artisans, involuntarily idle, had hardly been recognized by English public sentiment since the early part of the century. In that same year, indeed, the House of Lords held "that in the case of an able-bodied father there is a presumption that he is able to gain his livelihood so as to support himself and family." In 1885-6 the discussion as well as the methods of relief assumed a new form. It was considered necessary to take extraordinary measures of relief. The public was alarmed. The Secretary of the Local Government Board issued a circular appealing to municipalities to hasten or create public works; the London Charity Organization Society appointed a special committee to report on the best means of dealing with the exceptional distress; and the House of Lords also appointed a select committee to report afresh upon Poor Law relief. The distress of that year apparently was succeeded by more lean years. The appeal of the Secretary of the Local Government Board has been renewed once, if not twice. There have been two reports of a Mansion House Committee on the Unemployed, and this last winter we have the report of the Labor Department

of the Board of Trade, itself reporting to the Local Government Board. Within a few months there has been a report by the Board of Supervision to her Majesty's Secretary for Scotland upon the relief of the able-bodied unemployed during last winter, and a special committee appointed in Liverpool has also just reported upon the same subject.

In Holland a circular letter was issued in 1893 by the Minister of the Interior to the Provincial Commissioners instructing them to inquire into the want of employment, and recently it is reported that many schemes are being broached for dealing with the unemployed in that country during this next winter, which is being looked forward to with apprehension. In German cities during the past year there have been frequent expenditures for the relief of the unemployed through the provision of work. Street improvements, docks, water works, etc., have been undertaken. In Spain the Minister of the Interior has recently sent a circular list of questions to the governors of the provinces with regard to desirable improvements for public works with a view to securing measures for dealing with the unemployed. In Switzerland a *plebiscite* took place on June 3 of this year on the question of introducing a clause into the federal Constitution embodying the right to have work provided. It was rejected by a vote of 308,289 to 75,880. The government of the canton of Tessin have inserted the following article in their poor-law bill: "If the temporary distress of an individual or a family arises from the want of employment, the government are bound to do their utmost to procure work for the person or persons in question."

It is hardly necessary to refer to the rapid development of this question in Australia. Tasmania, New

South Wales, Victoria, New Zealand and Queensland have all within three or four years engaged in the consideration of various public measures for the relief of the unemployed.

In our own country we undertook this past year many novel experiments, and special reports of such work have been published in Boston, Philadelphia, Pittsburg, Buffalo, Chicago, Detroit and Indianapolis. In Massachusetts a state commission to investigate the subject of the unemployed was authorized by legislative act and appointed by the governor of the commonwealth. This board has collected evidence and will report upon the following subjects :

1. The emergency relief measures of 1893-4, particularly in Massachusetts.
2. The possibility of adjusting the demand and supply of labor through public employment bureaus.
3. The demand and supply of farm labor.
4. Public relief work and direct employment by municipalities.
5. The separation of the tramp class from the involuntary idle.
6. The relation of convict labor to non-employment.

No opinion is expressed which would imply that we are to have a permanent class of the unemployed, different from what has existed in the past. The agitation of this question undoubtedly in some degree develops the existence of the phenomenon itself, but in view of the experience of European countries, as well as of various tendencies in our own, we cannot throw this question aside in the comforting belief that financial occurrences which so largely caused our own problem of the unemployed are not likely to be repeated for many years. Is there good reason to suppose that

international financial, monetary, and banking disturbances may not be more frequent in the future.?

Who are the unemployed and what does this term denote? Are these unemployed in reality a new class? Is it a new product of new industrial conditions or is it some old class called by another name? The term *unemployed* as used to-day is a new term in our economic vocabulary. Does it, however, correspond to new conditions or may it not be a new term applied to an element which has existed for centuries, that is, the poor?

There have always been able-bodied poor, sturdy beggars, shiftless ne'er-do-wells, weaklings, intemperates, feeble discarded units of society, whom society has carried upon its shoulders. The history of European countries as well as our own has had a long chapter devoted to the relief of this class, the poor. If our unemployed are of this class and only of this class, the economist need not trouble himself with any new analysis with regard to such phenomena; but the question is raised that the unemployed of the present time are not of this class alone, that in addition to the able-bodied poor there is a reinforcement of men and women who are willing to work and who in past times have found abundant opportunity to work, but who now find their economic condition so uncertain, their industrial tenure so unstable, that they are frequently without employment.

In the report of the Labor Department of the English Board of Trade, the term unemployed is applied to four distinct classes:

(1) Those whose engagements being for short periods have terminated their last engagement on the conclusion of a job, and have not yet entered upon another.

(2) Those who belong to trades in which the work fluctuates.

(3) Those who are economically superfluous, because there is not enough work in those trades to furnish a fair amount to all who try to earn a livelihood at it.

(4) Those who cannot get work because they are below the standard of efficiency demanded, or because their personal defects are such that no one will employ them.

In the first class we find persons who work upon the docks and street porters ; in the second, miners and shoemakers ; in the third, ship-builders, as in this industry in England there has been for several years a severe depression ; and in the fourth, there are the inefficient.

These four classes may be further summarized into two : first, workingmen who generally have employment but who are out of work for one reason or another ; and secondly, those who have no trade, living solely by manual labor, and are never regularly employed. When trade is prosperous they pick up a living ; in prosperous times they are only half employed and in bad times they become unemployed.

In New Zealand the unemployed are classified as follows :

(1) Men past the prime of life who through failure in business for the first time turn to manual labor for subsistence.

(2) Young fellows who have always lived in towns and not brought up to any trade or calling ; they are unfit for country work, and frequently feel little inclination for it.

(3) The married men with families, who live from hand to mouth and thus find it hard to go any distance for labor as in the meantime their families will be destitute. As a rule, therefore, they are compelled to stay in town picking up such odd jobs as they can.

These classifications are typical and in all of the

many recent classifications of the unemployed made by commissions and in the memoranda submitted by various experts, it is to be observed that there are included not only the idle and the improvident but the thrifty of good character.

At this point there is one word to say in regard to the statement, which is undoubtedly true, that some workmen, perhaps many workmen, could have found employment even during the worst seasons of the past year, if they had been willing to accept lower wages, and that therefore non-employment is not involuntary with them but voluntary and consequently deserving of no sympathy or assistance. No apology is here offered for those who must take the penalty of their own actions, but accuracy demands that this position be fairly stated. There was a distinct unwillingness on the part of a workman to accept a lower wage than the one established in his own trade, but on the other hand there was frequently an entire willingness to accept a much lower wage in some unorganized industry where trade-union rates did not prevail. It was loyalty to their organization, their history and past struggles which made them in many cases refuse to lower their standard wage. It was not, however, mere unwillingness to work which accounted for much of this idleness, but this fact is frequently lost sight of in the discussion of the question.

There is little statistical information to fall back upon for evidence upon the amount of non-employment, and even the accuracy of such statistical data as are presented may in part be questioned. In England there are reports of certain trades unions to the Labor Department of the Board of Trade, showing for each month the number out of work as registered in the books of the several unions; but these reports apply as a rule only to the more

skilled trades, and in many instances are probably understatements owing to the disinclination on the part of workmen to disclose the real number of non-employed for fear that the employer will take advantage of it.

These reports afford no idea of the amount of non-employment among men outside of unions or not in organized industries, or in those unions not having an intelligent and efficient administrative machinery, through which such data can be obtained. It is also to be noted that the English trade-union reports, such as they are, cover only a few years and consequently do not present any wide basis for comparison.

In this country there are two statistical sources of information as to the unemployed, both of them coming from Massachusetts. One of these is the state "Census of Unemployed" of 1885, published by the Bureau of Labor in 1887; and the other is the report of a certain number of the manufacturing establishments of the state, also published by the Bureau of Labor in an annual volume styled "Statistics of Manufactures," beginning with the year 1886.

For the industries tabulated these are of great interest and value as they show the average number of persons employed, the greatest number and smallest number of persons employed each month of the year. But it is to be noted that these statistics would in no wise include those unemployed who had been utterly displaced and consequently had no enrollment whatever on the books of manufacturing establishments. They do show most admirably the range and fluctuation of activity of the employer but only inferentially can such data be applied to non-employment of labor itself.

Besides the official records there were various estimates, so-called censuses made by mercantile agencies,

police authorities, and private enterprises, varying as, for example, in Boston last winter, from a police census of less than 6,000 to Bradstreet's estimate of 30,000, and the Andover House estimate of 38,000. In addition to these sources there are the statistics of applications at employment bureaus, and the records of charity societies which report the condition of those relieved. Thus in 1887 it was stated at the National Charities Conference that in twenty-five cities, of the applicants for relief at their societies, forty per cent. needed work rather than relief. In these fragmentary statistical records there is little to satisfy the accurate investigator. Exact knowledge will elude him ; suggestions he may gain.

It thus remains to fall back upon the analysis of industrial conditions from which it might be possible to frame a working hypothesis as to whether there be an increase in the number of the unemployed proportional to the population, and whether this may be a new class, or reinforced by new elements. Such an analysis must follow lines which are familiar to every observer of economic conditions,—elements indeed so familiar that I hesitate to re-enumerate them at this place. Nevertheless it is asserted that so great are the changes acting in the organization of industry, so peculiar are the present migrations of people and so striking are the more recent competitive conditions, that new lines of emphasis not yet sufficiently recognized should be taken cognizance of, which will justify a fresh analysis.

The following forces are generally recognized as contributory causes making for non-employment.

- (1) The displacement of labor by machinery.
- (2) The entire elimination of certain processes, in order to reduce cost.
- (3) The substitution of juvenile labor.

- (4) The substitution of female labor.
- (5) The work running to seasons.
- (6) The migration of industries from one portion of the country to another and from one country to another.
- (7) Fashion which leaves a hitherto prosperous industry stranded temporarily or even permanently.
- (8) The unwillingness to accept lower wages on the part of workmen, thus strikes and interruption of employment.
- (9) The introduction of labor which is willing to accept lower wage because it has hitherto lived on an entirely different lower standard of comfort.
- (10) Commercial disturbances, loss of business confidence and credit cycles.

It has generally been admitted that these forces may temporarily and in some cases permanently displace laborers,—honest and willing laborers,—thus producing non-employment. But the usual conclusion is that though inconstancy of employment is a reality, a great evil rightly attracting public attention, there is no good reason, to use the words of Professor Marshall in his last work on the “Principles of Political Economy,” for thinking that the inconstancy of employment is increasing on the whole :

[Several causes combine to make it appear to be greater than it really is.] When a large factory goes on half time, rumor spreads the news over the whole neighborhood and perhaps the newspapers spread it over the whole country : but few people know when an independent workman or even a small employer gets only a few days' work in a month, and in consequence suspensions in industries in modern times are apt to seem more important than they are relatively to those of earlier times. In earlier times some laborers were hired by the year, but they were not free and were kept to their work by personal chastisement. There is no evidence that mediæval artisans had steady employment. And the most persistently inconstant employment now to be found in Europe is in those non-agricultural industries of the West which are most nearly mediæval in their methods,

and in those industries of Eastern and Southern Europe in which mediæval traditions are strongest. [In many directions there is a steady increase in the proportion of employés who are practically hired by the year. This is for instance the general rule in many of those] trades connected with Transport, which are growing fastest and are the representative industries of the second half of the nineteenth century as the manufacturing trades were of the first half. And though the rapidity of invention, the fickleness of fashion, and above all the instability of credit, do certainly introduce disturbing elements into modern industry, yet other influences are working strongly in the opposite direction. Vol. I, p. 733, Note.

This I take it is the general judgment of economists upon this point. But passing by the comparison between mediæval conditions of trade and the present century, the question is raised whether the influences above enumerated as making for non-employment are not acting with greater vigor, with more promptitude, and with more certain and serious results than they were twenty-five or forty years ago. In reflecting upon the significance of these forces and the weight to be given to them, it is difficult not to exaggerate the importance of current events or to distinguish the unfortunate and disastrous occurrences of the past winter from the normal condition. I shall, however, select from the many analyses presented, three or four considerations which, though by no means novel, are possibly not so familiar as to be tedious, and which illustrate the position of those who think that the problem of the unemployed is of increasing importance.

It is true, of course, that the introduction of machinery permanently enlarges the field of employment instead of limiting it within narrower confines. It has been suggested however that, in certain highly organized industries, the introduction of a new machine is tending to become a more and more serious matter to the workman. This, it is argued, is for two reasons. Manufacturing is

carried on in larger and individual plants, and taking the whole population into account, is concentrating into fewer geographical points. The introduction of a new machine by a single manufacturer will therefore tend to affect a larger number of operatives proportionately within a given district than a generation ago. On account of the magnitude of individual establishments and localization of industries this change is accompanied by a greater shock.

Favorable competition is more and more dependent upon the possession of the best and latest machinery. The advantage which one manufacturing establishment has over another depends, among other things, upon the element of labor, the situation as to the market, and the character of the machinery. The two former are assuming relatively less importance while the latter is increasing in significance. Labor conditions are of a greater uniformity and the cost of transportation is being so reduced that the nearness of a given market is less important than twenty years since.

A few weeks ago I had the pleasure of seeing a new machine, soon to be introduced into the textile industries, which if adopted generally in the United States would displace several thousand men in the cotton branch alone. The introduction of this machine will reduce the cost of production one-sixth of a cent per yard on plain cotton cloth, but a saving of one-sixth of a cent per yard means a three to five per cent. dividend on the capital of an ordinary cotton establishment.

The inventor of textile machinery is the bugbear of the manufacturer. No sooner is his plant set in motion than he is forced to consider the need of reconstruction, if he would live.

The introduction of machinery leads us to a second

consideration. It must not be supposed, as has been very clearly stated by Mr. Hobson, that machinery in itself is essentially related to unsteadiness of work. The contrary is the case. Cheap tools can be kept idle without great loss, but every stoppage in the work of expensive machinery means a heavy loss to the capitalist. But this development of permanent conditions in normal times of itself makes the period of non-employment the more unexpected and the pain the harder to bear. Machinery has introduced regularity into many departments of industrial life. It has trained the workman into military habits of attendance and industrial drill. His productive power and the purchasing power of his wage have increased, and his ambitions enlarged. Interruption of employment, particularly when not associated with some direct action on the part of himself and his associates, as in a contest for better wages or ameliorated labor conditions, exasperates and irritates him as never before.

The third consideration not only applies to the results of the introduction of machinery but also to the changes caused by the substitution of juvenile or female or foreign labor. I refer to the fact that while in the gross there may be an increased demand for labor and consequently a greater employment of labor, with the frequent introduction of new machinery or a change in the process which makes a new class of labor possible, there is an increasing opportunity for resifting and re-sorting of the laborers and a weeding out and a shaking out process.

The manufacturer to-day employs 500 workmen, but introduces a machine by which the same product can be produced with the labor of 475; the cost of the goods will be lower; the demand will increase; the establishment

will be enlarged, with the result that 500 operatives will still be needed, but this does not mean the same 500. The welcomed opportunity is offered by which the employer can let go temporarily 10, or 15, or possibly 25 of the poorer workmen, and gradually replace them in his ever developing establishment by new workmen. This creates a demand for employment as much as it enlarges non-employment; but as the principle of selection extends as never before, not only over the whole world but among entirely new classes of labor, as women and children, the relegation to the rear of incompetents goes on with a briskness never before witnessed. The unfit were never before more sharply detected and mercilessly set aside than under present conditions. The final advantage of this need not be commented upon, but a correct analysis demands a recognition of its results.

Again it is suggested that the employment of women in industrial works will increase with much greater rapidity in the next twenty years than in the past twenty years. They will be found not only in machine shops but also, it is said, in carpenter shops. Boys, through the introduction of machinery, are pressing into the carpentry trade, or rather certain branches of it, for the trade itself together with that of house-painting is rapidly disintegrating and becoming a matter of historical mention.

Adherence to the dictates of fashion, once more it is suggested, is much more general than it was twenty years ago. The partial abandonment, for example, of the stiff derby hat for the soft felt two years ago prevailed not only in the cities but also in the country towns, which are no longer satisfied with the discarded surplus of the metropolis. Industries migrate more or less. Two years ago a large part of the General Electric Company's business was removed from Lynn, Massa-

chusetts, to Schenectady, New York. Part of the labor is 'too inert to move; a part is held by bond of family ties or by ownership of small property the removal from which means practically its sacrifice.

And then there is an inflow of foreign labor. It is questioned by some if our American cities would have been forced to the extraordinary relief measures this past winter if there had been restricted immigration during the past fifteen years. This does not imply that the recipients of relief are recent immigrants or foreigners alone, but recent immigration has been very largely, almost entirely, composed of unskilled workmen who absorb much of the unskilled work needed by the community. Hitherto when skilled labor has been temporarily out of employment there has been some opportunity for it, as well as our domestic unskilled labor, to turn to lower grades of work for support, and such work can be easily created for an emergency. This field, however, is fully occupied by these new comers, and in every emergency relief measure of last winter there was the greatest difficulty to prevent the absorption of the funds devoted for relief, by this as yet unassimilated element.

To state in what degree non-employment relates to the question of skill or its lack is extremely difficult, as skill is largely a relative term. The less skilled in a given occupation are the leading candidates for non-employment. Non-employment as commonly discussed implies that there are a larger number in a given industry than can be regularly employed in that industry. The workman therefore does not place the importance upon the necessity of a high degree of skill on the part of all the laborers within the given occupation. Some are to be left out anyway in the distribution of work. Greater

skill may assist the individual, but contrary to the general law by which social units have worked out the problem of progress, workmen within the organized trades are trained to discuss the subject from class rather than individual self-interest. It is useless to go to the trained trades-unionist and advocate better industrial education upon the ground of individual advancement.

It is, however, a notable fact that the mass of the unemployed even when they possess some competency, possess only one kind of competency. Through lack of adaptability they are unable to transfer their productive power into a new branch of industry. Greater skill, through better and wider industrial education, would enlarge their opportunities in this respect. A displacement means a more or less temporary closing of all avenues of escape, and in the recognition of this condition one of the methods for reducing inequality of employment in the future is at once suggested, viz., the economic industrial education. And this argument will appeal to the trades-unionist as long as it is applied to the possibility of transfer from an older over-worked trade to a new and unorganized trade. New industrial processes are being evolved faster than laborers can be found. Production in these new lines is actually checked and held back because of lack of suitable labor. It is in this outlying field of new employment that there is opportunity for a migration of unemployed labor.